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FOREIGN AGRICULTURE

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Agriculture in Mainland China

Mediterranean Horticultural Seminar

Overseas Buyers Conference

Foreign
Agricultural
Service
U.S. DEPARTMENT
OF AGRICULTURE

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This week's cover:

Baskets of asparagus are loaded onto a farm cart in southern France. Asparagus is just one of many horticultural products of the Mediterranean area slated for improvement as the result of an OECD seminar held earlier this year. For a full report see article beginning page 6. (Photo courtesy French Department of Agriculture.)

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Mainland China's

By MARION R. LARSEN

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Mainland China's economy experienced an upsurge last year, but it did not attain "leap forward" proportions as defined by the Chinese. Considering the setback caused by 3 years of "Cultural Revolution," the upward thrust was significant. There were improvements in both the industrial and agricultural sectors. Industry made the larger gains but agriculture as a whole had a good year. Farm output was significantly better than in 1968, although still below the 1967 level. There was a letup in the upheaval resulting from the Cultural Revolution; in fact, there seemed to be movement toward lessening of pressure on the country's farmers.

Party reorganization progressed slowly; much of the administration of the production effort was still in the hands of the military. Peasant apathy was a major deterrent to a greater effort in the agricultural sector. Peasant farmers have been slow to respond to the Communist Party's approach to the wage system which denies just compensation for work performed on an individual basis.

For the second time in the 1960's, the Chinese used a crash agricultural program to catch up economically.

The year 1969 marked the second time in a decade that the Chinese Communist regime had reverted to crash programs to catch up economically. As in the early 1960's, the Party's thrust in its economic policy in 1969 was to greatly increase agricultural production. This represented a reversal of the

MAINLAND CHINA: TRADE IN SELECTED MAJOR COMMODITIES, 1960-69

Year	Imports			Exports	
	Total grain	Wheat ¹	Cotton (raw)	Rice ²	Soybeans
	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons
1960	88	60	80	1,174	996
1961	4,445	3,073	58	446	335
1962	5,999	4,419	67	578	342
1963	4,557	4,394	143	640	332
1964	6,795	5,542	105	785	498
1965	5,520	5,250	168	755	576
1966	6,447	6,375	107	1,210	550
1967	4,030	3,871	88	1,225	564
1968	³ 4,500	4,445	68	1,000	600
1969 preliminary ...	³ 4,700	³ 4,700	75	(⁴)	(⁴)

¹ Includes wheat flour in wheat equivalent. ² Excludes exports to Vietnam. ³ Estimate. ⁴ Not available.

Economy: An Upsurge But No "Leap"

policy of the First Five-Year Plan (1953-57), in which China followed the Russian model of giving first priority to heavy industry. Though still constrained by the effects of the Cultural Revolution in the early part of the year, Mainland China's economy—by the end of 1969—appeared to be well along the road to recovery. Some industries set new production records, as did some crops.

It appears that the Communist regime used the ensuing months after the Cultural Revolution to establish a base from which to sustain economic, political, and social advancement in the 1970's. This was made more apparent by the numerous announcements of multi-year plans throughout the provinces. It is probable that these plans will be coordinated into a new national Five-Year-Plan (the fourth) beginning in 1971 and patterned somewhat after the National Agricultural Development Plan (NADP). This was a grandiose 12-year plan for agricultural development for the period 1956-67—created by Mao Tse-tung—but never implemented. Increasing references to the NADP were made in various provinces where yields of certain crops exceeded those established by the plan.

No major policy changes concerning agriculture were effected in 1969, although the Ninth Congress of the Chinese Communist Party met in April for the first time in 13 years. Many programs already associated with the regime's efforts to increase agricultural output, especially of grains, were again reinforced. But additional ones focusing on the responsibility of self-sufficiency by local production units were also introduced.

*Rural development, self-sufficiency
were stressed in a broad program of
decentralization, state aid.*

Hard-line policies imposed by the regime during the latter half of 1968 to bring the Cultural Revolution under control depressed the agricultural effort. Subsequent modification of these policies and the introduction of a broad rural development program permit farmers, at least for the present, to continue using private farm plots and to take sideline occupations. The program was also geared to local needs. Rural industrialization, which included small factories to produce such items as chemical fertilizers, tools, and farm machinery, was introduced at the county level. Urban industry was reoriented to agriculture and industry teams were sent to the country to repair and maintain machinery and equipment. There was a broadening and improving of rural educational and health programs. Millions of youth, cadre, skilled workers, and professional people were sent into the countryside in an effort to upgrade rural amenities and improve the quality of labor there. Rural commerce and credit systems were placed under control of communes and brigades; and experimental mergers of production teams and brigades into larger rural units was tried on a limited scale. Decentralization of administration—

both supervisory and financial—was effected. Machine tractor stations were disbanded and their machinery was sold to communes and brigades. Reclamation of waste land was expanded under collective supervision.

Agricultural production in 1969 topped that of 1968 with many food and industrial crops registering gains and some achieving records. Livestock rebounded from the downturn experienced during the Cultural Revolution. Weather conditions affecting crop production were slightly better than in 1968 but less favorable than in 1967, the year of outstanding harvests. Inputs of chemical fertilizers, machinery and tools, and improved seeds were increased; coordination of soil and water management prior to and during the cropping season was improved.

*Agricultural output was up in 1969;
most of the gains came from increased
yields, not increased acreage.*

Because there was little if any increase in acreage in 1969, production gains, almost equaling those in 1967, were primarily a result of yield response to greater inputs. Also, the relaxation of discipline in the countryside allowed more flexibility in making decisions on cropping and in field supervision. This condition, in effect, provided the material incentive which stimulated greater peasant participation in project planning despite the dampening effect of transferring unemployed urban dwellers to the countryside. The net result appears to have been more effective and increased storage of foods at the local level because of a significant increase in local storage capacity.

Food grains (including potatoes, which are figured at one-fourth grain value) occupied almost 80 percent of the planted acreage and supplied roughly the same percentage of the Chinese food basket. Production of these crops almost equaled that of 1967, China's highest production year in over a decade, and was significantly greater than the 1968 level. Production of wheat, rice, and potatoes was average or higher; for miscellaneous grains it was at record levels. Preliminary estimates based on a revised (larger) acreage for grain crops indicate a total grain output of roughly 200 million tons. Poor weather in South China in the spring and the flooding in the Yangtze River Valley in July and August adversely affected the early and intermediate rice crops. The unusual cold winter and late spring in North China affected winter wheat. Most late harvested crops, however, did well under about normal weather conditions.

Other crops fared less well. Production of cotton, the major industrial crop, about equaled that of 1968; tobacco declined, as did rapeseed, which is grown as a winter crop in the Yangtze River Valley. Increases of varying magnitude occurred for soybeans, peanuts, sugarcane, sugarbeets, tea, silk cocoons, fruits, and vegetables, as well as some minor crops. It is un-

likely, however, that production of these crops equaled that of 1967.

Favorable weather conditions and improvements in the extensive pastoral regions of China support official claims of increases in production of cattle and other draft animals and of sheep and goats. Although hog numbers probably increased, it is unlikely that they equaled the pre-Cultural Revolution level. The substantial increase in 1969 in government support of hog raising, both privately and collectively, indicates the urgency with which the government is attempting to regain and surpass the pre-Cultural Revolution level. Hog numbers were substantially reduced during the Cultural Revolution.

*The 1969 farm output has resulted in
fewer shortages although caloric
intake is about 10 percent under 1957-58.*

The net effects of Mainland China's improved 1969 agricultural production were fewer shortages during the 1969-70 consumption year, although many farm products were still rationed—grains, vegetable oils, cotton, and textiles, and certain foods in deficit areas. This was an improvement over the previous year, when food shortages occurred; and it represents a substantial improvement over the period of critical food shortages at the beginning of the 1960's. But current daily consumption on a per capita basis is estimated still to be possibly 10 percent below the 2,220-2,300 calories thought to have been available in 1957-58. It is believed that the level of food available has remained about constant since 1965, although population has grown.

Intensive cultivation of private plots continued to be an important factor in supplying quality foods for local consumption. But reductions in private food production and the large influx of urban dwellers into rural areas may overtax the capacity of these private plots—which are, after all, still tolerated by the regime only for its own convenience.

*Trade data show that China's trade with
Communist countries continues downward;
with the Free World, it has increased.*

China's foreign trade declined during the past 2 years (1967-68) but then rebounded sharply, especially during the second half of 1969. Despite the upsurge during the second half of last year, however, total trade fell short of the 1966 peak by about 8 percent, but exceeded the 1968 level by approximately 7.5 percent. Trade with the Free World continued to increase, but trade with Communist countries may have reached its lowest level since the Chinese Communist regime came to power in 1949. A better trade balance was effected by keeping imports at a lower level than exports.

The value of exports of food exceeded that for food imports for the fourth straight year. Increased exports of livestock and livestock products, poultry and eggs, sugar, and fresh and processed fruits and vegetables probably offset declines in rice and soybeans, China's two major farm exports. Mainland China's rice exports declined to possibly less than 1 million metric tons—the result of abundant world supplies. (Exports had averaged over 1 million tons annually since 1965.) The decline in soybean exports reflected decreased production in 1968. Hong Kong, Singapore, and Japan are China's main agricultural markets. China supplies 40 to 45 percent of Hong Kong's agricultural goods. Despite increases in farm exports to the Crown Colony in 1969, the volume of trade did not regain the 1966 level.

China's imports of food in recent years have been lower than in the early 1960's owing primarily to reductions in wheat imports, which still play an important role in maintaining urban consumption standards. Imports of wheat in 1969 were 4 million to 4.5 million metric tons compared with 3.9 million and 4.4 million tons in 1967 and 1968 respectively. About 4 million tons of the 7.5 million tons purchased in 1969 are scheduled for delivery through October 1970. Canada (with 2.2 million tons), Australia (with 4.5 million tons), and France (with 800,000 tons) were suppliers of China's record wheat purchases in 1969. Favorable prices and the apparent need to replenish stocks depleted during the Cultural Revolution motivated the large imports that year. Additional purchases will be required to raise China's imports of wheat in 1970 to those of past years.

*China's agricultural outlook brighter;
future depends on continuing good
weather, realistic policies.*

China's more realistic approach to the solution of its agricultural problems (and consequently to its problems of food and clothing) should produce results, barring unfavorable weather and radical policy changes. The country's economy, spurred by foreign aid in the 1950's but allowed to stagnate under the isolationist policies of the 1960's, shows signs of improvement. Substantial gains could be made if the current effort outlined in the programs above can be maintained and if population growth can be regulated. Both of these possibilities show considerably more promise of success than previously. Efforts in the offseason to improve the agricultural scene by making increased inputs, particularly of chemical fertilizer, could result in new records in farm production in 1970; the implementation of long-range programs could generate further increases during the decade.

Foreign trade is expected to expand with exports of agricultural products increasing—even at the expense of domestic consumption—to earn foreign exchange for purchasing capital goods and other commodities needed for industrialization. As agricultural production increases, particularly of foodstuffs, a gradual decline of food imports can be expected. Yet overconcentration on producing food crops may create imbalances in other crops, with the result of smaller supplies which would have to be supplemented by imports.

Current Agricultural Situation in Nicaragua

Favorable weather and good market conditions made 1969 a prosperous year for Nicaraguan coffee, beef, and sugar. However, an unfavorable price outlook, uncertain credit availability, and rising costs took their toll in lowered plantings and production of cotton—the major export earner—and of some food crops.

Export crops

Coffee. Weather conditions in 1969 were ideal for coffee production and Nicaragua harvested a bumper crop for the second successive year. Output is estimated at a record 605,000 bags. The extraordinary world price rise in the second half of 1969 and early 1970 has provided employment and much needed foreign exchange to the country. Coffee exports in 1970 should be at a high level owing to the large crop and an anticipated large quota under the International Coffee Agreement.

Sugar. Increased acreage as well as favorable weather resulted in an above-normal sugar crop for 1969-70, estimated at 161,000 short tons. Almost all sugar exports go to the United States, and the 1969-70 output will be adequate to meet the 70,000 or so short tons of anticipated U.S. quota. Last year Nicaragua fell 1,805 tons short of the adjusted U.S. quota of 71,725 short tons.

Cattle. The cattle industry prospered in 1969 with exports of beef reaching an alltime record level of 42 million pounds; this level should be surpassed in 1970. Cattle production is expected to grow, but at a slower rate than in recent years. The Voluntary Restraint Program in 1970 for beef exports to the United States provides Nicaragua with 39.3 million pounds compared with 38.4 million pounds in 1969. There should also be additional exports to the United States of perhaps 3 million pounds in noncontrolled categories. A fourth export packing plant is under construction in Nicaragua, but how it will influence the export trade is still unclear.

Cotton. There was a sharp decline in cotton production in 1969. Discouraged by low world prices and tight market conditions and encumbered by debts from previous years, cotton planters reduced acreage from 325,000 acres in 1968 to 240,000 acres in 1969. The result was a production decline of about 25 percent to 295,000 bales, which will mean a parallel 25-percent cut in exports. Other factors involved were reduced credit, difficulties with seed quality, and the rising cost of some inputs. Exports this season may be about 40 percent below 1968-69 shipments of 452,000 bales as stocks are sharply reduced.

Despite a consensus within government and industry circles regarding the need to stimulate a revival of the cotton industry, neither cost conditions nor the outlook for world prices provide a basis for realistic optimism among producers.

Domestic cotton mill consumption, however, should rise in 1970. In February a new 20,000-spindle textile mill began operations, expected to consume 10,000 to 12,000 bales of cotton annually. Total domestic utilization is expected to reach about 22,000 bales.

Other crops

Among the basic grains, corn, rice, and beans had production declines in 1969 while sorghum output advanced slightly.

Large stocks of corn and rice together with poor prospects for exports to the Central American Common Market discouraged production efforts. However, stocks now are pretty well depleted and prices are moving upward. In view of this, 1970 should see an upturn in grain production—perhaps reaching 1968 levels.

Prices of sorghum, used for both food and feed, have declined to a point which may bring some shift to other crops. Leading rice producers have formed an organization to process and market 80 percent of the Nicaraguan rice production, in the hope that this move will lead to improved rice quality and consequently higher prices.

Kenaf, a fiber plant, was commercially produced in Nicaragua for the first time in 1969, and within several years 5,000 acres are expected to be in production to supply a processing plant now initiating operations.

Major imports

In 1969, wheat imports fell to only 27,268 metric tons. However, when Nicaragua's wheat imports decline in a given year, the next year normally sees a gain. Therefore, 1970 imports of wheat may reach as high as 40,000 metric tons. Tallow imports in 1969 totaled 5,890 metric tons, all imported from the United States.

Prices

Buying prices set by INCEI, the price support agency, for 1969-70 were the same for rough rice, sorghum, and beans as in the 2 preceding years. However, the 1969-70 price for corn was reduced from US\$3.70 to \$3.14 for corn because of large anticipated stocks and pressure from other Central American Common Market countries. Levels for 1970-71 have not been announced but are likely to be close to those of 1969-70.

Development plans

Several projects underway are designed to step up Nicaragua's agricultural production. Experimental plans are being developed to utilize the waters of Lake Nicaragua for irrigating large areas during the dry season. Also, a 25,000-acre multifarm project designed to pump water in the León area was recently initiated on 5,000 acres.

Nicaragua is cooperating with AID projects in the beef marketing and fruit and vegetable distribution sectors. Efforts are also underway to promote exports of yucca chips and granules for use as livestock feed.

—Based on dispatch from STANLEY W. PHILLIPS
U.S. Agricultural Attaché, El Salvador/Nicaragua

NICARAGUA: MAJOR AGRICULTURAL EXPORTS

Item	1967	1968	1969
	<i>Metric tons</i>	<i>Metric tons</i>	<i>Metric tons</i>
Cotton	97,297	102,513	¹ 61,463
Cottonseed	75,550	48,805	11,632
Coffee	25,819	28,468	27,490
Sugar	46,473	42,059	63,448
Beef	14,698	17,176	19,090

¹ Estimated.

Mediterranean Seminar Studies Ways To Improve Fruit, Vegetable Exports

The OECD sponsored a seminar earlier this year to study methods of improving the production and processing of horticultural products for export from countries along the northern rim of the Mediterranean. Here is a report on the Seminar's recommendations.

Steps which Mediterranean fruit and vegetable growers can take to expand their exports were explored at a recent seminar in Athens, sponsored by the Organization for Economic Cooperation and Development.

Purpose of the seminar was to improve production methods and upgrade the quality of fruits and vegetables produced by countries along the northern half of the Mediterranean Basin. This would make their products more competitive with those of other fruit and vegetable producers serving the West European market.

The findings of the seminar were revealed in a report which is to be studied by several OECD groups, including the OECD's Committee for Agriculture and the Working Party for Fruits and Vegetables. Covering all aspects of the fruit and vegetable export trade, the report suggests that northern Mediterranean horticulturalists select certain fruits and vegetables for improvement, that uniform upgrading standards be adopted, and that packing, processing, storing, and shipping methods be standardized. It was further suggested that the Mediterranean nations form national and international study, informational, and marketing groups, that scientific research be coordinated, and that cooperative handling of the products be considered. Emphasis was given to increased mechanization in the field and in the factory in order to reduce costs and improve efficiency.

The report covered three areas of study:

- Development of production and adaption to market requirements;
- a study of marketing structures; and,
- liaison and exchange of experience at the Mediterranean level.

Producers urged to use trademarks

In order to promote increased consumption of their products, Mediterranean fruit and vegetable producers will be encouraged to adopt the use of trademarks and to improve retail handling techniques. It will be recommended that agreements be sought between importing and exporting nations to keep products of inferior quality off the market.

The report underlined the need for standardized packaging and packing and the use of standard truck-loading procedures, as well as a standardizing of methods used at packing stations. On a national level, the report will, when released, generally encourage fruit and vegetable producers to cooperate with their local packaging industry to develop standardized containers for shipping purposes.

The report issued after the Athens seminar stressed the importance of standardization in several other areas. It emphasized that efforts should be undertaken to improve and



A young farmer near Plantanias, Crete, works on an orange tree preparatory to inserting a graft.

put at parity the fruit and vegetable grading standards of the several countries involved, that fruit and produce inspectors should receive standardized training, and that those engaged in the fruit and vegetable trade be taught to recognize the various levels of quality. It also suggested stepping up inspection activities on the home market.

Producers to build customer loyalty

The report cautions fruit and vegetable producers to improve only those varieties which will build customer loyalty. It asserted that fruits and vegetables so improved should possess qualities that appeal to the senses of prospective purchasers (through their color, odor, shape, taste); they should be adaptable to standardized transportation methods; they must also possess attributes to enable them to survive storage; and particularly, they must be suitable for processing. Further, the varieties selected must be resistant to disease and have a sufficiently long ripening period to permit proper harvesting for commercial use. Particular emphasis has been placed by the report on the initial improvement of the Mediterranean area's major traditional horticultural products: citrus fruits, stone fruits, nuts, dessert grapes, olives, and such vegetables as tomatoes and asparagus.

Suggestions were also put forth for the multinational development of research and testing facilities and of informational and training programs. It was recommended that specialized teams of experts be established in these several fields. Also suggested was the acceptance of so-called prestandardization procedures. These include scientific methods of pruning, thinning, fertilizing, and harvesting. Special attention should, according to the report, be paid to insect and disease control.

It was also recommended that each newly developed fruit and vegetable crop area, or currently producing area that is subject to improvement plans, be supported by the establishment of a nearby testing center to which would be attached a soil and fertilizer laboratory and a pest control station that would include an insect warning facility.

The testing center—according to the report—could also serve as a regional information center where farmers and other producers could attend lectures and witness practical demonstrations on horticultural management techniques. International exchanges of information and experience would take place in the form of seminars, publications, export assistance programs, and training courses, to mention a few.

Report recommends studies

The report suggests that studies be made of the processing firms in the various countries in order to assess their relative productivity, their potential for future development, and their investment and legal status, with the object of increasing their efficiency and the role they play in the horticultural economy. In some instances, economic elements which perform the same marketing function in a given area are advised to combine into a single agricultural and food “complex” to promote mass refrigeration and processing. Cooperatives like these will greatly improve the efficiency of area operations.

The report also recommends that the governments involved create agencies to promote technical advances, so as to insure adequate investment in mechanical facilities, particularly through cooperative effort of national boards consisting of government representatives and delegates from the refrigeration and food industries. National governments will be encouraged to cooperate with international bodies in researching and testing technological advances and studying the quality of refrigerated, preserved, or processed products.

Food processors and dealers will be encouraged to form associations to serve as agents for the promotion of modern production and marketing methods, as well as to exert some control over the market. The report states that “the development of such organizations can thus . . . enable large quanti-

ties of standardized products ordered by the integrated trade to be supplied.” The document also advises the use of international groups of various types to encourage the exchange of information on market conditions on long-term, short-term, and medium-term bases.

Exchange of Mediterranean experience

The third general level of activity explored at the seminar and documented in the report was the need for the international exchange of information and experience. It was recommended that a teletype network for the daily dissemination of market and crop data be extended, under OECD sponsorship, to the largest number possible of exporting and importing countries, and that efforts be taken to improve the flow of market and crop data within each country involved. The report noted and endorsed the suggestion of Malta that a Mediterranean organization be founded to coordinate the flow of information and the establishment of programs of market research in the region; the island has offered to allow headquarters for the body to be established there.

Also commented on was the pressing shortage of trained executives, specialists, and technicians in the processing and marketing fields. The report noted the lack of trained fruit and vegetable growers and recommended that existing educational and training facilities be encouraged to establish courses and programs aimed at alleviating this shortage. It was also suggested that specialized courses be given to technicians to add to their knowledge about the traditional Mediterranean crops. New courses of instruction would be added as new crops are added to the list.

Regional planning urged

The value of regional planning was stressed in the report as the best means of insuring to growers and processors adequate income from the sale of their fruits and vegetables. It was further suggested that these regional plans thus evolved be coordinated so as to form what amounts to a national plan for each country.

Representatives from 14 countries participated in the seminar. These were Austria, Canada, Cyprus, France, Greece, Israel, Italy, Japan, Malta, Portugal, Spain, Turkey, Yugoslavia, and the United States.

Below (right), young workers show off some of central Italy's grape crop. And below, fruit packers in the area of Croix d'Or, Vaucluse Department of France, work in a fruit shed.





Above, Ralph Horwitz, left, who came to the Conference from South Africa, talks business with Peter Likes of the Hussman Refrigerator Co. Below, Albert Bildner, right foreground, leader of a group from Brazil, examines an array of U.S. meat products.



Foreign Buyers Meet U.S. Food

"My company sent three people to the Conference last year; we have seven this time, and I plan to talk to my directors and tell them to send more next year."

That was the reaction of an executive of a South American supermarket chain to the second Overseas Food Buyers Conference held this month in conjunction with the Super Market Institute Convention in Houston, Texas.

He was among about 275 food trade executives from 30 countries who participated in the conference, sponsored jointly by the Department of Agriculture and the Super Market Institute (SMI).

A Belgian importer, looking for new food products on the 12-acre exhibit floor, said, "Yes, I'll come back next year."

A food chain official from the Netherlands termed the event the only one in the world that "locates for the foreign visitor the latest in supermarket equipment, techniques, merchandising methods, and products."

The president of a Japanese import and wholesale company, who had been granted a government quota for \$41,600 worth of U.S. food products to stage an

American Week, arranged for contracts to buy all the products except meat and dry beans during the conference. From Houston, he went to the West Coast to purchase the meat and beans through contacts lined up by FAS and Jay Glatt of Salem, Oreg., Western States Regional representative of the National Association of State Departments of Agriculture.

An Italian food wholesaler said, "I am primarily interested in American organizations for food distribution, but I am checking on products and customs (duties)—I certainly want to import, but we need to make a profit."

A French importer visited 12 processors, discussed his needs with each, left a list of products in which he was interested, and invited them to make offers.

The visitors had a chance to see exhibits of more than 600 American firms, displaying food products and food-related equipment, to visit with U.S. food trade representatives, and to attend SMI general convention sessions and seminars on problems and new ideas in the food trade.

For those who spoke no English, the general sessions and one seminar daily were simultaneously translated into Japa-



Left, non-English-speaking visitors listen to a seminar translated into their language. Right, visitors from Italy (l-r) Enzo Olivieri, Giorgio Labardi, and Ernesto Corsi are welcomed to the Houston Conference by FAS representative Dan Sheppard.

Digging into the world's largest salad bowl are (l-r) buyers from the Netherlands, F. B. Smets, A. J. v.d. Heyden, J. F. De Moor, and U.S. businessmen Gene Hayes, United Fruit Co., and Lee Carter, Fogel Refrigeration Co. Right, members of the Japanese contingent, Tokuo Masui, foreground, and Toyotaro Ikuta, to his right, sample some Texas grapefruit.



Trade at Houston Conference

nese, French, Spanish, and German by the use of headsets and interpreters arranged for by SMI.

Attendance at the multilingual sessions was good, and several of the visitors expressed the hope that next year all eight daily seminars would be offered in several languages to give them a wider choice. Translated seminars this year were on labor costs, meat sanitation, and cost allocation in food distribution.

While overseas participation in the conference was more than double the 112 who attended last year at Atlantic City, New Jersey, food interests were little changed: New products, such as roasted soybeans; canned vegetables and fruits and juices, snack items, frozen foods—including TV dinners—and specialty items drew the most attention.

For most overseas food buyers, U.S. food quality is no problem, but import regulations and price are major factors.

As the Belgian put it: "I am looking to find what is new, and what can be sold in Europe."

A prominent Japanese supermarket operator noted that other countries in the Japanese food market "try to push by

price, since U.S. quality is well known as good, and the type of packaging in the U.S. is good."

"Personally," he went on, "60 percent or more of the imported goods that we handle are United States, but our worry is the price is coming up. In general, the others undersell."

Then he added, "Their list price is lower, but if you compare the quality, we are not so sure it is."

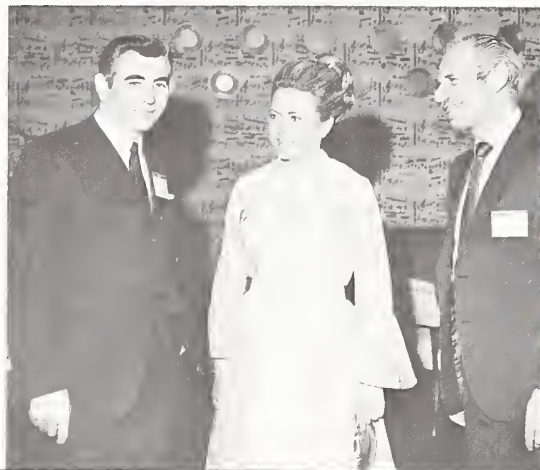
En route to the overseas conference, he stopped on the West Coast, where he signed a contract with a California organization to begin, "in a small way," direct purchase of food products on a container basis.

"I am optimistic about the future," he said. "Eating habits differ, but if dairy, meat, fruit juice, and other products are liberalized in the future, there will be a great increase of interest and consumption in Japan."

Many of the overseas food executives, including the 48 Japanese who made up the largest delegation, toured supermarkets, processing plants, and food-related businesses throughout the United States after the conference.



Above, Talha Aboljadayel of Saudi Arabia pauses to watch the proper carving technique for U.S. beef. Below, Mr. and Mrs. George Soreau, members of the group from France, chat with Herb Stone, right, representative of the American International Trading Company.



CROPS AND MARKETS SHORTS

Weekly Rotterdam Grain Price Report

Current prices for imported grain at Rotterdam:

Item	May 13	Change from previous week	A year ago
	<i>Dol.</i>	<i>Cents</i>	<i>Dol.</i>
	<i>per bu.</i>	<i>per bu.</i>	<i>per bu.</i>
Wheat:			
Canadian No. 2 Manitoba	1.99	-1	1.93
USSR SKS-14	(¹)	(¹)	1.84
Australian Northern Hard	1.75	0	(¹)
U.S. No. 2 Dark North- ern Spring:			
14 percent	1.90	-3	1.92
15 percent	1.98	-2	1.92
U.S. No. 2 Hard Winter:			
13.5 percent	1.87	-1	1.85
Argentine	1.81	0	1.80
U.S. No. 2 Soft Red			
Winter	1.73	+1	1.70
Feedgrains:			
U.S. No. 3 Yellow corn	1.66	0	1.46
Argentine Plate corn	1.71	+4	1.55
U.S. No. 2 sorghum	1.46	(¹)	1.30
Argentine-Granifero	1.44	+4	1.27
Soybeans:			
U.S. No. 2 Yellow	3.12	+3	2.92

¹ Not quoted.

Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

U.S. Exports of Soybeans and Products

U.S. soybean exports in March reached 39.2 million bushels, up almost 8 million bushels from the February figure and 2.6 million above the March 1969 level. The September-March total of 258.9 million bushels was 75 million bushels higher than the export total in the same period last year, which was low because of the strike. Again, as in September-February, almost 60 percent of the increase was in direct shipments to the European Community and Japan. Moreover, a large share of the 8-million-bushel increase in exports designated as destined for Canada probably moved on, largely to the EC and Japan. Direct exports to Japan were 56.8 million bushels, up 16.7 million bushels from the same period last year.

March soybean oil exports soared to 163.9 million pounds. This was the largest March export movement on record. Heavy shipments to Pakistan and India under Public Law 480 programs accounted for over two-thirds of the increase. Exports during October-March totaled 573.5 million pounds, exceeding last year's same 6-month total by 195.6 million pounds. Over one-half of the cumulative increase through March represented the increase in program oil sent to Pakistan alone. U.L. 480 oil shipments to India, though substantial, declined by one-half from last year's level. However, all P.L. 480 oil accounted for only 68 percent of the total soybean oil exported through March, against 84 percent of the total in 1969, result of larger-than-usual commercial exports.

Cottonseed oil continued to move in large quantities in March, reaching 56.2 million pounds in contrast to only 9.5 million in March 1969. The 6-month cumulative total of 309.0 million pounds, compared with only 71.8 million a year earlier, was a result of continued large sales of oil held by

the Commodity Credit Corporation and as increased commercial sales. Exports to the United Kingdom continued to represent the largest gain—64.6 million pounds in contrast to only 15,000 pounds last year. The United Arab Republic reentered the cottonseed oil market in March, after taking none in February; purchases through that month reached 38.2 million pounds compared with no takings in the same period last year.

Soybean meal exports, which had been unusually heavy in December and January, declined sharply in February but made a comeback in March, increasing by 8 percent. Even so, they were 30 percent below the March 1969 level, when sales were unusually heavy following the U.S. dock strike. Through March of this year soybean meal exports totaled 2.0 million tons, surpassing last year's total by almost 50 percent or 675,000 tons. The EC—mostly West Germany—accounted for 70 percent of the gain from last year. Sales to West Germany rose by 89 percent. Moreover, sales to all major markets except Belgium-Luxembourg were above last year's levels.

U.S. EXPORTS OF SOYBEANS, OILS, AND MEAL

Item and country of destination	Unit	March		September-March	
		1969 ¹	1970 ¹	1968- 69 ¹	1969- 70 ¹
SOYBEANS					
Belgium-Luxembourg	Mil. bu.	3.0	1.7	8.0	13.0
France	do.	0	(²)	.2	1.8
Germany, West	do.	4.9	4.7	21.5	25.1
Italy	do.	2.7	2.3	13.1	18.9
Netherlands	do.	3.9	6.9	27.8	38.9
Total EC	do.	14.5	15.6	70.6	97.7
Japan	do.	7.8	8.0	40.1	56.8
Canada	do.	.1	.1	19.2	27.3
Spain	do.	3.1	6.8	18.9	24.7
China, Taiwan	do.	4.6	1.8	12.4	12.8
Denmark	do.	3.1	2.9	9.7	12.6
Israel	do.	1.1	.5	3.5	7.2
Others	do.	2.3	3.5	9.9	19.8
Total	do.	36.6	39.2	184.3	258.9
Oil equivalent	Mil. lb.	401.6	430.3	2,023.5	2,842.7
Meal equivalent	1,000 tons	859.6	920.9	4,330.7	6,084.1

	March		October-March	
	1969 ¹	1970 ¹	1968- 69 ¹	1969- 70 ¹

EDIBLE OILS

Soybean: ³					
Pakistan	Mil. lb.	0	63.0	89.6	192.7
India	do.	13.7	35.6	126.2	62.6
Tunisia	do.	4.9	9.0	18.8	57.0
Iran	do.	0	18.7	10.3	51.4
Peru	do.	.6	1.5	7.6	22.9
Israel	do.	0	1.3	12.2	17.9
Canada	do.	1.7	4.1	13.3	17.8
Chile	do.	.3	0	14.4	14.6
Morocco	do.	2.8	11.4	24.6	14.5
Haiti	do.	2.0	2.3	9.9	10.0
Dominican Rep. ...	do.	.7	2.4	5.1	10.0
Mauritius	do.	0	2.2	0	8.8
United Kingdom ...	do.	0	.4	(⁴)	8.4
Colombia	do.	.6	0	3.4	8.2
Others	do.	12.4	12.0	42.5	76.7
Total	do.	39.7	163.9	377.9	573.5

Item and country of destination	Unit	March		October-March	
		1969 ¹	1970 ¹	1968- 69 ¹	1969- 70 ¹
EDIBLE OILS					
(Cont.)					
Cottonseed: ³					
Belgium-					
Luxembourg	do.	(⁴)	.3	(⁴)	5.6
France	do.	(⁴)	0	(⁴)	(⁴)
Germany, West	do.	2.3	6.4	15.3	13.3
Italy	do.	0	0	(⁴)	(⁴)
Netherlands	do.	0	0	10.0	26.5
Total EC	do.	2.3	6.7	25.3	45.4
United Kingdom ..	do.	(⁴)	16.5	(⁴)	64.6
U.A.R.	do.	0	11.0	0	38.2
Iran	do.	0	0	0	37.7
Venezuela	do.	1.8	0	33.2	35.5
Mexico	do.	0	7.4	(⁴)	18.9
Pakistan	do.	0	0	0	17.8
Canada	do.	2.3	3.8	7.2	15.0
Sweden	do.	2.8	2.4	4.3	7.9
Morocco	do.	0	2.2	0	7.7
Dominican					
Republic	do.	0	.9	(⁴)	6.4
Others	do.	.3	5.3	1.8	13.9
Total	do.	9.5	56.2	71.8	309.0
Total oils	do.	49.2	220.1	449.7	882.5
CAKES AND MEALS					
Soybean:					
Belgium-					
Luxembourg	1,000 tons	59.4	10.7	114.7	111.6
France	do.	78.2	37.8	214.8	306.7
Germany, West	do.	94.5	79.3	287.6	542.5
Italy	do.	21.0	27.4	101.1	172.1
Netherlands	do.	99.1	53.9	242.4	300.1
Total EC	do.	352.2	209.1	960.6	1,433.0
Canada	do.	20.5	21.4	125.2	130.8
Hungary	do.	0	10.6	0	66.6
Poland	do.	6.0	13.5	40.0	66.3
Yugoslavia	do.	0	10.5	39.8	55.6
Switzerland	do.	11.7	16.3	24.0	43.5
Spain	do.	.1	(⁵)	31.6	34.1
Ireland	do.	7.6	2.7	18.6	30.8
Denmark	do.	6.1	1.6	17.0	29.0
Japan	do.	18.4	0	18.5	24.1
Philippines	do.	5.9	5.3	15.0	20.9
United Kingdom ..	do.	(⁵)	1.4	19.2	20.1
Australia	do.	2.9	1.8	10.9	17.2
Others	do.	17.6	16.3	46.0	69.2
Total	do.	49.0	310.5	1,366.4	2,041.2
Cottonseed	do.	.1	1.2	1.9	4.0
Linseed	do.	1.7	0	31.7	47.2
Total cakes and meals ⁶	do.	455.7	316.6	1,434.7	2,113.4

¹ Preliminary. ² Less than 50,000 bu. ³ Includes shipments under P.L. 480 as reported by Census. ⁴ Less than 50,000 lb. ⁵ Less than 50 tons. ⁶ Includes peanut cake and meal and small quantities of other cakes and meals.

Computed from rounded numbers. Bureau of the Census.

Barter of Vegetable Oils Stopped

The U.S. Department of Agriculture removed cottonseed and soybean oils from eligibility for application to barter contracts after April 24, 1970.

The Department said, however, that exports of vegetable oils under barter contracts could continue to be made pursuant to written requests for application that were transmitted

by wire or postmarked on or before April 24, even though approved after that date. USDA also said that when the supply situation eases, it will reappraise its action.

Hamburg Prices of Fruits, Juices

The following quotations represent importers' selling prices, including duty and sugar-added levy but excluding the value-added tax. Sales are in lots of 50 to 100 boxes.

Type and quality	Size of can	Price per dozen units			Origin
		Apr. 1969	Jan. 1970	Apr. 1970	
CANNED FRUIT		U.S.	U.S.	U.S.	
Apricot halves:		dol.	dol.	dol.	
Choice	2½	2.82	3.34	3.67	Spain
Not specified	2½	2.85	3.51	3.38	Greece
Do	2½	2.58	—	3.21	Bulgaria
Peaches, halves:					
Choice, light sirup	2½	3.63	3.80	4.03	U.S.
Do	2½	3.39	—	3.97	Australia
Do	10	12.51	13.77	13.94	S. Africa
Not specified	2½	3.45	—	3.94	Argentina
Do	2½	2.70	2.98	3.08	Bulgaria
Pears:					
Heavy sirup	2½	3.78	4.00	4.00	Italy
Fruit cocktail:					
Heavy sirup	2½	5.25	5.84	5.74	U.S.
Choice, light sirup	2½	4.59	4.75	4.66	U.S.
Light sirup	2½	4.65	4.43	4.46	Italy
Cherries, red pitted:					
Water pack	10	—	23.77	22.96	U.S.
Not specified water	3 kg.	21.90	23.93	22.80	Italy
Do	3 kg.	19.74	20.48	21.58	Netherlands
Do	5 kg.	24.60	26.56	26.24	Yugoslavia
Pineapple, whole slices:					
Fancy	2½	5.25	5.64	5.64	U.S.
Not specified	2½	3.54	4.85	4.85	Philippines
Do	2½	3.27	3.80	3.58	Ivory Coast
Do	2½	3.21	3.51	3.56	S. Africa
Pineapple, crushed:					
Fancy	10	11.85	12.95	13.28	Philippines
Not specified	10	8.40	9.21	9.22	S. Africa
CANNED JUICES					
Grapefruit,					
unsweetened	¹ 1 qt.	—	3.93	4.76	U.S.
Do	² 1 lt.	3.87	—	4.36	Israel
Do	43 oz.	3.70	—	3.74	Greece
Do	43 oz.	4.30	4.80	4.81	Israel
Orange, unsweetened	² 1 lt.	3.51	3.67	3.48	Israel
Do	43 oz.	3.27	3.28	3.15	Italy
Do	43 oz.	3.30	3.57	3.35	Greece

¹ January and April 1970 quotations reflect the currency reevaluation of the deutsche mark from \$1 = DM4 to \$1 = DM3.66.
² Packed in glass bottles.

Swiss Cigarette Output Still Up

Switzerland's cigarette production in 1969 jumped to a new record of 24.2 billion pieces, 18 percent above the previous year's record of 20.5 billion. Production of American-blend cigarettes has increased especially sharply in recent years and represented 56 percent of the 1969 output compared with 41 percent in 1965. All-Maryland cigarette production ranked second in 1969 at 35 percent, compared with 42 percent in 1965.

The sharp increase in Swiss cigarette output is attributed primarily to the rising foreign demand for American-blend



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cigarettes. Swiss cigarette exports in 1969 totaled 11.5 billion pieces compared with 9.0 billion in 1968. Of this total, 69 percent went to Italy. Maryland cigarettes are still preferred by most Swiss smokers; these cigarettes make up about 60 percent of total domestic cigarette consumption.

To meet the demands of the cigarette industry, imports of unmanufactured tobacco rose to a new record level in 1969—53.3 million pounds compared with 47.2 million pounds in 1968. In 1969 and 1968 the United States was the largest supplier with 23.9 million pounds and 21.4 million pounds, respectively, representing 45 percent of total imports for both years. Other suppliers included Greece, Turkey, Brazil, and South Africa. Since the Swiss tobacco industry is expected to continue its expansion, shipments of unmanufactured tobacco to this market are likely to continue upward.

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Action Initiated To Close Gaps in Dairy Import Controls

New action to close gaps in import quotas for dairy products was announced May 13 by the U.S. Department of Agriculture.

At the request of Secretary Hardin, President Nixon has instructed the United States Tariff Commission to undertake an investigation and report on the necessity for import controls on four nonquota dairy products that are being imported in increasing quantities. The products are: Ice cream; low-fat chocolate crumb with a fat content of 5.5 percent or less; animal feed containing milk or milk derivatives; and certain cheeses, containing 0.5 percent or less by weight of butterfat.

The Commission's investigation will be made under the authority of Section 22 of the Agricultural Adjustment Act, which directs the Secretary of Agriculture to advise the President whenever he has reason to believe that articles are being imported, or are likely to be imported, in such quantities as to interference with the price support program for milk and butterfat. If the President agrees, he causes an investigation by the Tariff Commission to be undertaken. Upon receiving the Commission's report and recommendations, the President may establish or modify import quotas in such manner as he determines to be necessary within the limits which

have been stated in the law authorizing the Section 22 actions.

Secretary Hardin pointed out that all of the items to be investigated are products of recent appearance in international trade and that the effect of their importation is that existing dairy import controls have been circumvented. Imports of the milk-containing feeds commenced in 1968; the other three items never appeared in international commerce until after previous Section 22 action, completed on January 6, 1969, which added canned milk, a number of cheeses, and certain other products to those already under import control.

The animal feeds, used in feeding calves, consist of dry skim milk or dry whole milk to which tallow or other non-dairy fats have been added. This addition, at present, exempts these feeds from classification as quota products. Quotas on dry skim milk and dry whole milk have been in effect since 1953.

The other three items are used solely by food processors, not by consumers. The product called "ice cream" contains abnormally high amounts of milk solids and is used by the ice cream manufacturers. The low-fat chocolate crumb is used by candy manufacturers and the low-fat cheese by makers of processed cheese foods and cheese spreads.